### UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, DC 20436

# MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 109<sup>th</sup> Congress <sup>1</sup>

[Date approved: September 28, 2006]<sup>2</sup>

Bill No. and sponsor: S. 3674 (Mr. Tom Carper of Delaware and Mr. Judd Gregg of New Hampshire).

Proponent name, location: Outdoor Industry Association, Boulder, CO.

Other bills on product (109th Congress only): None.

**Nature of bill:** Temporary duty suspension through December 31, 2009.

**Retroactive effect:** None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Women's footwear (except vulcanized footwear and footwear with waterproof molded bottoms, including bottoms comprising an outer sole and all or part of the upper), valued over \$20/pair, not covering the ankle, designed to be worn in lieu of, but not over, other footwear as a protection against water, oil, grease or chemicals or cold or inclement weather where such protection includes protection against water that is imparted by the use of a coated or laminated textile fabric (provided in subheading 6404.19.20).

Check one: \_\_\_ Same as that in bill as introduced.\_\_\_ Different from that in bill as introduced (see Technical comments section).

#### Product information, including uses/applications and source(s) of imports:

The bill covers women's footwear designed for rugged outdoor activities such as hiking and trail running, valued at over \$20/pair, not covering the ankle, and with waterproofing properties imparted by coated or laminated textile fabrics. Trail running shoes have nobbier and stiffer soles and are generally more rigid and protective than road running shoes. China was the leading supplier of these imports in recent years.

<sup>&</sup>lt;sup>1</sup> Industry analyst preparing report: Laura Rodriguez (202-205-3499); Tariff Affairs contact: Jan Summers (202-205-2605).

<sup>&</sup>lt;sup>2</sup> Access to an electronic copy of this memorandum is available at <a href="http://usitc.gov/tata/hts/other/rel\_doc/bill\_reports/index.htm">http://usitc.gov/tata/hts/other/rel\_doc/bill\_reports/index.htm</a>.

#### **Estimated effect on customs revenue:**

HTS subheading: <u>6404.19.20</u>							
$\searrow$	2006	2007	2008	2009	2010		
Col. 1-General rate of duty	37.5%	37.5%	37.5%	37.5%	37.5%		
Estimated value <i>dutiable</i> imports	\$1,471,444	\$1,545,016	\$1,622,267	\$1,703,380	\$1,788,549		
Customs revenue loss	\$551,792	\$579,381	\$608,350	\$638,768	\$670,706		

Source of estimated dutiable import data: Commission estimates based on information provided by U.S. importers and official Department of Commerce statistics.

#### **Contacts with domestic firms/organizations (including the proponent):**

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?	
			(Yes/No)		
Outdoor Industry Association (Proponent) Alex Boian, 303-444-3353	08/10/2006	No	Yes	No	
American Apparel and Footwear Association Nate Herman, 703-797-9062	08/01/2006	No	No	No	
Columbia Sportswear Jeff Tooze, 503-985-4039	08/03/2006	No	No	No	
Footwear Distributors and Retailers of America Peter T. Mangione, 202-737-5660	08/03/2006	No	No	No	
Rubber and Plastic Footwear Mfg. Association Mitchell Cooper, 202-331-1848	08/01/2006	No	No	No	
VF Corporation/North Face Patrick Fox, 562-565-8267, ext. 7, 7974	08/23/2006	No	No	No	
W.L. Gore & Associates Mike Ratchford, 302-292-4147	06/22/2006	No	No	No	

#### **Technical comments:**<sup>3</sup>

It is suggested that the article description be modified slightly as shown on page 1, to enclose the excluded footwear in parentheses and make the grammar of the provision clearer.

The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

109TH CONGRESS 2D SESSION

## S. 3674

To suspend temporarily the duty on certain women's footwear not covering the ankle with coated or laminated textile fabrics.

#### IN THE SENATE OF THE UNITED STATES

July 17, 2006

Mr. CARPER (for himself and Mr. GREGG) introduced the following bill; which was read twice and referred to the Committee on Finance

### A BILL

To suspend temporarily the duty on certain women's footwear not covering the ankle with coated or laminated textile fabrics.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. CERTAIN WOMEN'S FOOTWEAR NOT COVERING
- 4 THE ANKLE WITH COATED OR LAMINATED
- 5 TEXTILE FABRICS.
- 6 (a) In General.—Subchapter II of chapter 99 of
- 7 the Harmonized Tariff Schedule of the United States is
- 8 amended by inserting in numerical sequence the following
- 9 new heading:

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"9902.64.12 Women's footwear, except vulcanized footwear and footwear with waterproof molded bottoms, including bottoms comprising an outer sole and all or part of the upper, valued over \$20/pair, not covering the ankle, designed to be worn in lieu of, but not over, other footwear as a protection against water, oil, grease or chemicals or cold or inclement weather where such protection includes protection against water that is imparted by the use of a coated or laminated textile fabric (provided in subheading 6404.19.20)			1			i		
footwear with waterproof molded bottoms, including bottoms comprising an outer sole and all or part of the upper, valued over \$20/pair, not covering the ankle, de- signed to be worn in lieu of, but not over, other footwear as a protection against water, oil, grease or chemi- cals or cold or inclement weather where such protec- tion includes protection against water that is im- parted by the use of a coat- ed or laminated textile fabric (provided in subheading 6404.19.20) Free No change No change On or before	"	9902.64.12	Women's footwear, except					
molded bottoms, including bottoms comprising an outer sole and all or part of the upper, valued over \$20/pair, not covering the ankle, de- signed to be worn in lieu of, but not over, other footwear as a protection against water, oil, grease or chemi- cals or cold or inclement weather where such protec- tion includes protection against water that is im- parted by the use of a coat- ed or laminated textile fabric (provided in subheading 6404.19.20)			vulcanized footwear and					
bottoms comprising an outer sole and all or part of the upper, valued over \$20/pair, not covering the ankle, designed to be worn in lieu of, but not over, other footwear as a protection against water, oil, grease or chemicals or cold or inclement weather where such protection includes protection against water that is imparted by the use of a coated or laminated textile fabric (provided in subheading 6404.19.20) Free No change No change On or before			footwear with waterproof					
sole and all or part of the upper, valued over \$20/pair, not covering the ankle, designed to be worn in lieu of, but not over, other footwear as a protection against water, oil, grease or chemicals or cold or inclement weather where such protection includes protection against water that is imparted by the use of a coated or laminated textile fabric (provided in subheading 6404.19.20)			molded bottoms, including					
upper, valued over \$20/pair, not covering the ankle, de- signed to be worn in lieu of, but not over, other footwear as a protection against water, oil, grease or chemi- cals or cold or inclement weather where such protec- tion includes protection against water that is im- parted by the use of a coat- ed or laminated textile fabric (provided in subheading 6404.19.20)			bottoms comprising an outer					
upper, valued over \$20/pair, not covering the ankle, de- signed to be worn in lieu of, but not over, other footwear as a protection against water, oil, grease or chemi- cals or cold or inclement weather where such protec- tion includes protection against water that is im- parted by the use of a coat- ed or laminated textile fabric (provided in subheading 6404.19.20)			sole and all or part of the					
signed to be worn in lieu of, but not over, other footwear as a protection against water, oil, grease or chemi- cals or cold or inclement weather where such protec- tion includes protection against water that is im- parted by the use of a coat- ed or laminated textile fabric (provided in subheading 6404.19.20)			upper, valued over \$20/pair,					
but not over, other footwear as a protection against water, oil, grease or chemicals or cold or inclement weather where such protection against water that is imparted by the use of a coated or laminated textile fabric (provided in subheading 6404.19.20)			not covering the ankle, de-					
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							12/31/2009	,,

- 1 (b) Effective Date.—The amendment made by
- 2 subsection (a) applies to goods entered, or withdrawn from
- 3 warehouse for consumption, on or after the 15th day after
- 4 the date of the enactment of this Act.

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